

Message Text

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ACTION DLOS-07

INFO OCT-01 ARA-16 ISO-00 AF-10 EA-11 EUR-25 NEA-14 RSC-01

CG-00 CIAE-00 DODE-00 PM-07 H-03 INR-11 L-03 NSAE-00

NSC-07 PA-04 PRS-01 SP-03 SS-20 USIA-15 AID-20 CEQ-02

COA-02 COME-00 EB-11 EPA-04 IO-14 NSF-04 SCI-06 FEA-02

ACDA-19 AEC-11 AGR-20 DOTE-00 FMC-04 INT-08 JUSE-00

OMB-01 CIEP-03 CEA-02 TRSE-00 OIC-04 DRC-01 /297 W

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FROM US DEL LOS

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TAGS: PLOS

SUBJ: LOS: DAILY REPORT, COMMITTEE I, AUGUST 19, 1974

1. FORMAL MEETING OF COMMITTEE I (C-I), AUGUST 19, WAS OPENED BY CHAIRMAN (ENGO) WITH UPDATED PERSONAL SUMMARY OF C-I'S DISCUSSION ON ECONOMIC IMPLICATIONS. SUMMARY HAD BEEN PREPARED IN RESPONSE TO US REQUEST THAT ORIGINAL VERSION DELIVERED AT ECONOMIC SEMINAR BE SUPPLEMENTED ON RECORD WITH UPDATED VERSION THAT INCLUDED RECOGNITION OF MORE MODERATE STATEMENTS ON ISSUE MADE DURING C-I'S DEBATE. HOWEVER, ENGO'S NEW SUMMARY WAS, IN US VIEW, FAR FROM OBJECTIVE SINCE IT CONCLUDED WITH CERTAINTY THAT ADVERSE ECONOMIC EFFECTS WOULD BE IMPOSED BY SEABED DEVELOPMENT ON LDC LAND BASED PRODUCERS AND THAT MACHINERY WITH FULL RANGE OF POWERS TO TAKE CORRECTIVE MEASURES SHOULD BE CREATED. US C-I REP INDICATED FOR RECORD THAT HIS DEL BELIEVED C-I'S DISCUSSIONS WERE MUCH MORE BALANCED THAN HAD

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BEEN REFLECTED IN CHAIRMAN'S SUMMARY, PARTICULARLY WITH RESPECT

TO INTERESTS OF LDC CONSUMERS IN AVOIDING EFFECTS OF CERTAIN
CORRECTIVE MEASURES.

2. CHAIRMAN OF INFORMAL C-I (PINTO) THEN INTRODUCED SUMMARY
OF DISCUSSIONS ON CONDITIONS OF EXPLOITATION. HE EXPLAINED
THAT THREE OPTIONS WERE BEFORE COMMITTEE: A) INCLUSION IN
TREATY OF DETAILED REGULATORY PROVISIONS, CONSTITUTING MINING
CODE; B) NO INCLUSION OF CONDITIONS OF EXPLOITATION IN
TREATY, THUS LEAVING ENTIRE TASK TO AUTHORITY; C) INCLUSION IN
TREATY OF FUNDAMENTAL NORMS OF EXPLOITATION, COUPLED WITH POWER
TO AUTHORITY TO DEVELOP DETAILED REGULATIONS WITHIN THIS
FRAMEWORK. IN HIS VIEW, ALL DELS WERE AGREED THAT THIRD
APPROACH WAS BEST. REEL ISSUE BEFORE COMMITTEE THEN WAS
DETERMINING SCOPE OF CONDITIONS IN LIGHT OF GENERAL AGREEMENT
THAT THESE MUST BE "BASIC." GROUP OF 77 TEXT PROVIDED FOR
"DIRECT AND EFFECTIVE CONTROL" BY AUTHORITY AT ALL STAGES OF
EXPLOITATION. SUCH PROVISION DID NOT NECESSARILY MEAN THAT
AUTHORITY WOULD EXERCISE ALL OF ITS POWERS OR ABUSE THEM.
ALTERNATIVELY, IN US AND 8-POWER DRAFTS ROLE OF AUTHORITY WAS
MORE REGULATORY, WHILE REAL CONTROL RESTED WITH OPERATOR OR
SPONSORING STATE. THESE PROPOSALS GAVE CONTROL TO AUTHORITY
ONLY IN SPECIFIC AREAS, E.G., PERFORMANCE CRITERIA. IT WAS
NOT CLEAR WHAT AMOUNT OF DETAIL IN THESE TWO DRAFTS WAS CON-
SIDERED ESSENTIAL BY SUPPORTERS. IN CONCLUSION, HE STRESSED
NEED TO CREATE STABLE INVESTMENT CLIMATE WHILE SIMULTANEOUSLY
GRANTING AUTHORITY CERTAIN UNPRECEDENTED CONTROLS, CONTROLS
WHICH MUST BE ACCEPTED ON BASIS OF TRUST IN INTERNATIONAL
COMMUNITY.

3. COLOMBIAN AND FRENCH REPS INTRODUCED GROUP OF 77 AND 8-
POWER DRAFTS RESPECTIVELY. INTRODUCTORY STATEMENTS WERE
IDENTICAL TO THOSE PREVIOUSLY DELIVERED IN INFORMAL C-I.
COLOMBIAN REP INDICATED THAT GROUP OF 77 TEXT HAD ALSO RECEIVED
SUPPORT FROM CHINA, ALBANIA, ROMANIA, NORWAY AND SWEDEN.

4. BRAZILIAN REP PROPOSED THAT C-I ESTABLISH NEGOTIATING GROUP,
UNDER CHAIRMANSHIP OF SRI LANKA REP(PINTO), TO BEGIN IMMEDIATELY
TO NEGOTIATE ON BASIS OF REGIME ARTICLES, PARTICULARLY
ARTICLE 9 (WHO MAY EXPLOIT AREA), AND CONDITIONS OF
EXPLOITATION. MEMBERSHIP OF GROUP WOULD BE RESTRICTED,
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ALTHOUGH ALL DELS WOULD BE PERMITTED TO PARTICIPATE IN MEETINGS.
PROPOSAL WAS SUPPORTED BY TANZANIA AND ACCEPTED BY C-I WITHOUT
OBJECTION.

5. US C-I REP (RATINER) DELIVERED STATEMENT ON CONDITIONS OF
EXPLOITATION (POUCHED) IN WHICH US DRAFT REGULATIONS WERE
INTRODUCED INTO RECORD. STATEMENT IDENTIFIED PRINCIPAL US
INTEREST IN C-I AS QTE CREATION OF A CONVENTION THAT WILL

GUARANTEE THE PROMPT, EFFECTIVE AND ECONOMIC RECOVERY OF THE MINERAL RESOURCES OF THE INTERNATIONAL SEABED AREA UNDER FAIR AND EQUITABLE CONDITIONS FOR ALL. UNQTE CRITICAL ELEMENTS OF FUNDAMENTAL CONDITIONS OF EXPLOITATION WERE: A) CONDITIONS MUST BE APPLIED UNIFORMLY AND ON NONDISCRIMINATORY BASIS; B) CONDITIONS MUST ENSURE THAT ALL QUALIFIED APPLICANTS CAN OBTAIN RIGHTS; C) BASIC CONTRACTUAL TERMS CANNOT BE ALTERED DURING EXPLOITATION; D) EXPLOITERS MUST HAVE OPTION OF PROCEEDING FROM INITIAL TO FINAL PHASES OF DEVELOPMENT; E) CONDITIONS SHOULD NOT APPLY TO SCIENTIFIC RESEARCH, TRANSPORTATION, PROCESSING OR MARKETING; F) BASIC POLICY OBJECTIVES OF AUTHORITY MUST BE CLEARLY DEFINED. IN ADDITION, CONDITIONS OF EXPLOITATION SHOULD NOT INCLUDE PROVISIONS FOR PRODUCTION CONTROLS. IN VIEW OF US DEL, SATISFACTORY CONDITIONS OF EXPLOITATION MUST BE COUPLED WITH DETAILED RULE-MAKING SYSTEM, SYSTEM OF CHECKS AND BALANCES AMONG AUTHORITY'S ORGAN, DISPUTE SETTLEMENT MACHINERY AND EXECUTIVE ORGAN WITH BALANCED COMPOSITION.

6. AT CLOSE OF MEETING, PERUVIAN REP, SPEAKING ON POINT OF ORDER, INDICATED THAT LITTLE TIME WAS LEFT IN THIS SESSION AND SUGGESTED THAT DELS CONSIDER ACTIVATING PROVISIONS OF RULE OF PROCEDURE 37 IN ORDER TO ENABLE VOTING ON ARTICLE 9. IN SUBSEQUENT PROCEDURAL DEBATE, HE WAS MORE OR LESS SUPPORTED BY ALGERIA, PAKISTAN AND GUINEA. PERUVIAN REP DID NOT FORMALLY REQUEST VOTE, BUT MERELY HINTED THAT HE MIGHT DO SO FOLLOWING DAY. US DEL IS UNCERTAIN OF PERU'S SERIOUSNESS, BUT BELIEVES THAT OVERWHELMING VIEW IN C-I IS THAT ATTEMPTS AT CONSENSUS HAVE CERTAINLY NOT BEEN EXHAUSTED SINCE NEGOTIATION IS JUST BEGINNING.
STEVENSON

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